

**TESTIMONY BEFORE THE HOUSING COMMITTEE
CHELSEA ROSS, DEPUTY DIRECTOR
PARTNERSHIP FOR STRONG COMMUNITIES
FEBRUARY 21, 2023**

H.B. No. 6588 – AN ACT CONCERNING RENT STABILIZATION.

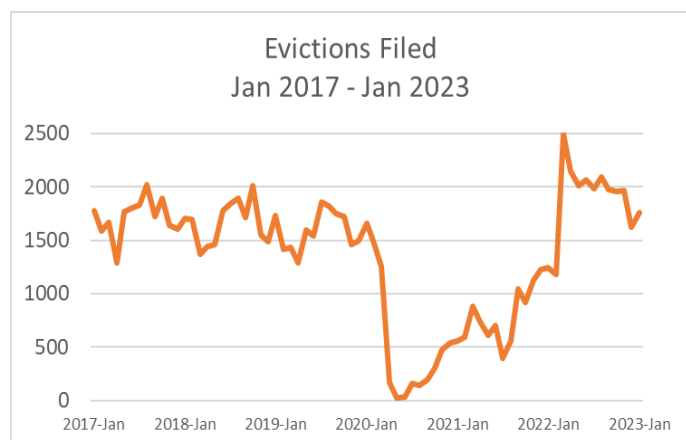
**H.B. No. 6589 – AN ACT CONCERNING RENT STABILIZATION IN MOBILE MANUFACTURED HOME
PARKS.**

Senator Moore, Representative Luxenberg, Senator Sampson, Representative Scott, and members of the committee, my name is Chelsea Ross, Deputy Director at the Partnership for Strong Communities. We are a statewide nonprofit policy and advocacy organization dedicated to ensuring everyone in Connecticut has a safe, stable home that is affordable to them in an equitable community of their choice. Thank you for the opportunity to submit testimony on H.B. 6588 and H.B. 6589.

We support measures to ensure Connecticut families who rent their homes have predictability, stability, and affordability. Connecticut's rental market is out of balance, and low-income renters are bearing the cost. That these bills are before your committee, that so many renters are telling you their stories, demonstrates just how unhealthy our housing system has become. It is in these circumstances that we rightly look to the state to protect renters and ensure a stable rental market.

Rents have increased 24% since 2017 resulting in evictions occurring at higher rates than pre-pandemic averages.¹ This past Valentine's Day had the most eviction filings per day (215) since the court began keeping comprehensive electronic records in 2017.²

Renter income has not increased at the same pace as skyrocketing rents, putting especially low-income renters at a distinct disadvantage and at high risk of housing

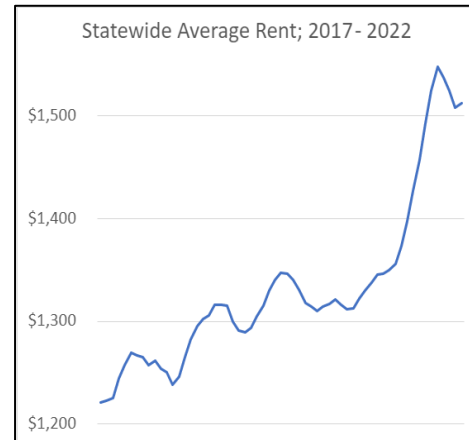


Source: Connecticut Fair Housing Center

¹ <https://www.apartmentlist.com/research/category/data-rent-estimates>

² <https://ctmirror.org/2023/02/16/ct-affordable-housing-lamont-budget-money/>

instability, eviction, and homelessness. Research demonstrates that once median rent surpasses 30% of an area's median income, the rate of homelessness begins to increase more rapidly. Fairfield County has already surpassed that threshold with median rent costing 32% of median income.³ 52% of CT renters are housing cost-burdened, meaning they spend more than 30% of their gross monthly income on rent. Black families, undocumented families, seniors, and people with disabilities disproportionately experience housing cost-burden in our state.



Source: Apartment List Rent Estimates

Homeowners with a mortgage are usually able to rely on a stable and predictable monthly mortgage payment. Renters, fully one-third of Connecticut's households, do not have this predictability or security. Connecticut has among the largest gaps in home ownership rates between BIPOC and white residents⁴, so the consequences of an unhealthy rental market are borne disproportionately by lower income BIPOC families.

The state must explore multiple policy options including rent stabilization measures as described in HB 6588, HB 6589, as part of a comprehensive set of tenant protections. Rent regulation measures must be carefully crafted to avoid potential negative externalities that decrease affordability and housing stock in the long run and create inverse incentives such as condo conversions, maintenance degradation, eviction increases, restrictive initial screenings and decreases in lending, investment and development.⁵ We ask that you also consider additional stabilization tools that complement this bill's proposals. Designing an effective rent stabilization system requires careful attention to the condition of local and regional rental housing markets and the details of how the law will operate to avoid discouraging new housing construction or investment in existing multifamily properties, but it can be done. In New Jersey, where over 100 cities have rent stabilization, a study that compared cities with and without rent stabilization found that there was no significant relationship between rent stabilization and new housing

³County level median rent figures taken from <https://www.zillow.com/research/data/>. Median income figures from <https://www.census.gov/quickfacts/fact/table/fairfieldcountyconnecticut,CT/PST045221>

⁴ <https://ctmirror.org/2020/11/16/in-recovering-urban-areas-homeownership-makes-all-the-difference/>

⁵ [Is rent control making a comeback? \(brookings.edu\)](#); [Rent Regulation for the 21st Century: Pairing Anti-Gouging with Targeted Subsidies \(furmancenter.org\)](#) [What does economic evidence tell us about the effects of rent control? \(brookings.edu\)](#) [Is Rent Control a Good Way to Protect and Stabilize Renters? | Joint Center for Housing Studies \(harvard.edu\)](#)

construction. Research and best practices show that a cap in annual rent increases works best in combination with other measures, including:

- Ensuring that annual rent increase limits remain in place in between renters to discourage landlords from pushing out existing renters to increase the rent.
- Improving housing stability for all renters by expanding good cause eviction protections to cover all renters.

Rising utilities, materials and labor costs, and increased taxes pinch both renters and property owners. Connecticut's housing affordability crisis cannot be solved solely with rent regulation. There are many causes for steeply rising rents, but the prime one is we simply need more affordable homes in our state. Without increasing our affordable housing supply to meet demand, rent stabilization will determine who gets to stably live in existing housing, but leave just as many households out in the cold. If we do not address our housing shortage, we will continue to see rising rents, evictions and homelessness that will put the lowest income tenants at risk and impede our state's economic growth.

The anemic pace of new home construction is caused in part by restrictive local land use controls. The state must create more and better housing by allowing more high-density housing in more places, reducing unnecessarily restrictive regulations that slow or prevent housing development, and investing in affordable and mixed-income housing development.

Connecticut's current housing is also aging. Much of our state's multifamily housing stock is old and in poor repair. Forty percent of Connecticut's rental housing was built prior to 1960.⁶ As a result, maintenance problems are a common issue for renters and increasingly costly for property owners to address. If we are to ignore these issues, we will continue to see worsening property conditions and a growing number of blighted and abandoned properties in places where we need quality homes the most. Thus, any enacted policy must encourage maintenance of safe, sanitary housing, not disincentivize it.

Governor Lamont has proposed increased bond authorizations to expand our supply of affordable housing to help mitigate the shortage. Regulatory reform is possible but will take time. Investments in rental assistance are critical. While Connecticut works to build sufficient homes and provide adequate supports for our most vulnerable families, additional measures must be taken to ensure that renters are protected from price-gouging, displacement, evictions, and homelessness.

⁶ <https://data.census.gov/table?q=Year+Structure+Built&g=0400000US09&tid=ACSDT1Y2021.B25036>



We ask for your support and leadership to pass policies that protect renters' stability first and foremost, while maintaining safe, quality rental homes in Connecticut.

Thank you for the opportunity to submit this testimony.

Sincerely,

A handwritten signature in black ink, appearing to read 'CR', with a stylized, flowing line extending to the right.

Chelsea Ross
Deputy Director
Partnership for Strong Communities